



Detroit
Community
Initiative

November 29, 2007

The Honorable Jennifer M. Granholm, Governor
State of Michigan
P. O. Box 30013
Lansing, MI 48909

Re: 2008/2009 Qualified Allocation Plan MSHDA

Dear Gov. Granholm,

As community builders, we are concerned about recent efforts by the Michigan Housing Council and their lobbyists to negatively influence the proposed 2008/2009 Qualification Allocation Plan. These special interests groups are the same ones that gleefully endorsed the previous 2006/2007 QAP which placed the Detroit area and other urban communities at a great competitive disadvantage. Where was the political leadership and outcry back in 2005?

Through geographical caps and a lottery system, projects were awarded tax credits regardless of the greatest need and maximum project scoring. Detroit witnessed a 40% reduction in tax credits allocations based on a previous merit system, 2004/2005 QAP. The new plan provides a balance.

Earlier this week, the MSHDA Board of Governors appeared ready to approve the new plan. It was developed over the past six months after a series of many public hearings across the state. Through such input, modifications were made to improve the work product. Unfortunately, political intervention has delayed their right to vote. They will again attempt to vote on this issue on December 6th. This glorified filibuster must come to an end.

This new delay followed an initial one at the October board meeting. Reasons for that delayed vote are the same ones mentioned in the November 14 2007 letter you received from State Senators Buzz Thomas and Mark Jansen.

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Though the process for stakeholder input has been substantial, profiteers are claiming that not enough time and input was allowed in the process. It's obvious to us that the 2008/2009 Qualified Allocation Plan has become part of a bigger agenda at the expense of the state's distressed communities and homeless.

In collaboration with many community development groups and partners, we are asking you to rally behind the needs of our low income families and those of us that seek to provide quality affordable housing for our neighbors and community. The proposed QAP is fair and balances the needs of the state. MSHDA has developed an outstanding plan that encompasses the needs of many and forces us as developers to serve the intent of the federal affordable housing program. Let's not jeopardize future federal allocations.

It is clear to us that the language used in State Senators Buzz Thomas and Mark Jansen is consistent with the "speak" used by the Michigan Housing Council at several public hearings. The letter misrepresents the due diligence used to prepare the QAP. It is their efforts to derail the plan that are causing the delays. We're surprised that the media hasn't found out about this "horse trading" fiasco and its negative impact on the poorest of Michigan's communities.

This proposed plan offered more opportunities for public input than either of the two previous plans. Stakeholders had ample time to review the document and provide ongoing input and/or suggestions. Additional public hearings were held around the state after the first delayed vote by the MSHDA Board of Governors. Those of us in the trenches that "do the work" and "re-invest our developer fees into the community" are asking you to show the courage and grace of your office to move the current proposed plan through the necessary approval process. We look forward to you signing a document that puts people before profit.

Sincerely,

A handwritten signature in blue ink that reads "Michael B. Fisher". The signature is fluid and cursive, with the first name "Michael" being the most prominent part.

Michael B. Fisher
President/CEO

SENATE MAJORITY POLICY OFFICE

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November 14, 2007

The Honorable Jennifer M. Granholm, Governor
State of Michigan
P.O. Box 30013
Lansing, Michigan 48909

Dear Gov. Granholm:

While we certainly respect the position that Mr. Michael DeVos, Michigan State Housing Development Authority (MSHDA) executive director, holds and the role that both he and the MSHDA Board play in providing financial and technical assistance to create and preserve safe and affordable housing and community economic development activities, we have considerable concerns regarding the development of the 2008-2009 Qualified Allocation Plan (QAP), the document used to control the distribution of Low Income Housing Tax Credit (LIHTC) resources.

First, we respectfully ask that MSHDA immediately approve a tax-credit funding round. Delaying this action, we believe, could challenge as much as \$400 million of economic activity in our state at a time when we can least afford it. We fail to see any sound public purpose in delaying this funding round and believe that MSHDA should immediately schedule an allocation of tax credits under the current QAP plan.

Second, given the fact that the 2008-2009 QAP development process time line is considerably shorter than it has been in recent years, we feel strongly that a more inclusive process that acknowledges and considers input from all stakeholders is needed. This approach, we believe, will yield a more thoughtful and economically viable plan that has a greater opportunity to effectively rebuild and enhance Michigan's communities and grow our state's economy.

Sincerely,

Handwritten signature of Buzz Thomas in black ink.

Buzz Thomas
State Senator
4th District

Handwritten signature of Mark Jansen in black ink.

Mark Jansen
State Senator
28th District

cc: Mr. Bernard S. Glibberman, Chairman, MSHDA
MSHDA Board Members
Mr. Michael R. DeVos, Executive Director, MSHDA
Hon. Kwame M. Kilpatrick, Mayor, City of Detroit